

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 L-03 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 /081 W
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R 261437Z APR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 4330
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

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E.O. 11652: N/A
TAGS: EFIN, EG
SUBJECT: MINPLANNING PRESS INTERVIEW ON ECONOMY

1. NEWLY APPOINTED MINPLANNING MEGUID, IN PRESS INTERVIEW APRIL 23, REMARKED THAT GOE HAS COMPLETED FIVE-YEAR PLAN (THOROUGH 1980) FOR PRESENTATION AT FORTHCOMING IBRD CONSULTATIVE GROUP MEETING; SAID PRES SADAT HAS SIGNED AND FORWARDED TO PEOPLES ASSEMBLY REVISED FOREIGN INVESTMENT LAW, WHICH POSSIBLY WILL BE ENACTED PRIOR TO IBRD CG MEETING; AND PRESENTED SEVERAL STATISTICAL ITEMS OF INTEREST.

2. PERHAPS MOST SIGNIFICANT SET OF NUMBER IS ON SIZE AND COMPOSITION OF FOREIGN DEBT. ACCORDING MINPLANNING, CONVERTIBLE CURRENCY DEBT AMOUNTS TO LE \$3,172 MILLION, VALUED AT OFFICIAL EXCHANGE RATE (LE 1 EQUALS \$2.56). CONVERTIBLE DEBT IS DIVIDED AS FOLLOWS: LE 994 M IN ARAB DEPOSITS, LE 1,345 INTERNATIONAL LONG-TERM OBLIGATIONS, LE 565 M IN BANKING FACILITIES, LE 268 M OTHER SHORT-TERM COMMITMENTS. IN
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ADDITION, PAYMENTS AGREEMENTS DEBTS TOTAL LE 361 M.

3. OTHER DATA CITED BY MINPLANNING PERTAIN TO GNP. MEGUID SAID GNP TOTALLED \$9,700 MILLION IN 1975, \$10,000 MILLION IN 1976 AND IS EXPECTED TO RISE TO \$10,900 MILLION IN 1977 AND \$14,500 MILLION BY 1980. COMMENTING ON GOVERNMENT REVENUES, WHICH HE AVERRED DERIVE FROM EXTREMELY HIGH TAX RATES, MIN-

PLANNING SAID TOTAL IS FORECAST TO RISE FROM LE 1,613 MILLION IN 1976 TO LE 3,000 MILLION IN 1980. HE ALSO MADE POINT THAT ECONOMIC DEVELOPMENT OF EGYPT DOES NOT DEPEND PRIMARILY ON FOREIGN CAPITAL, BUT RATHER ON EGYPTIAN PRIVATE AND PUBLIC SECTOR INVESTMENT, NOTING NONETHELESS THAT FOREIGN TECHNICAL EXPERTISE IS HIGHLY IMPORTANT.

4. COMMENT: MINPLANNING'S FOREIGN DEBT FIGURES -- TOTALLING SOME \$9,000 MILLION -- LOOK LOW IF THEY INCLUDE OBLIGATIONS TO SOVIETS AND SOMEWHAT HIGH IF THEY DO NOT. WE HAVE CHECKED FIGURES WITH OFFICE OF MINPLANNING, HOWEVER, AND EVIDENTLY THEY ARE AN UP-TO-DAT E STATEMENT OF GOE POSITION (EXCEPT FOR FACT THAT NUMBERS DO NOT ADD UP IN PUBLISHED ACCOUNTS, FACT WHICH IS UNEXPLAINED BY MINPLANNING CONTRACTS).

EILTS

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 26-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition Reason:
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